

FILED

AUG 24 2015

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER POOLING ALL INTERESTS, INCLUDING THE COMPULSORY POOLING OF THE INTERESTS OF CERTAIN NON-CONSENTING OR UNLOCATABLE OWNERS, IN SPECIAL DRILLING UNIT #17, ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH FORMATIONS, COMPRISED OF LOT 1 OF SECTION 16, AND LOTS 1 THROUGH 5, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ AND E $\frac{1}{2}$ NW $\frac{1}{4}$ OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 2 EAST, USM, AND LOTS 1 THROUGH 4, NE $\frac{1}{4}$ AND E $\frac{1}{2}$ SE $\frac{1}{4}$ [A/K/A RESURVEY NO. 42] OF SECTION 9, TOWNSHIP 6 SOUTH, RANGE 19 EAST, SLM, UTAH COUNTY, UTAH

**MOTION FOR LEAVE TO
SUBSTITUTE AND REPLACE
REPLACEMENT EXHIBIT "6"**

Docket No. 2015-022

Cause No. 131-140

COMES NOW, Bill Barrett Corporation ("BBC"), acting by and through its attorneys, MacDonald & Miller Mineral Legal Services, PLLC, and pursuant to Utah Admin. Code Rule R641-105-300, and hereby requests the Board of Oil, Gas and Mining (the "Board") for leave to substitute and replace Replacement Exhibit "6" filed on August 13, 2015, with the Second Replacement Exhibit "6" attached hereto and by this reference incorporated herein. Exhibit "6" reflects the calculation of the average weighted fee landowner's royalty in Special Drilling Unit #16. Since the Replacement

Exhibit “6” was filed, Molly Curran Howlett, for whom compulsory pooling was sought, has leased, and which lease contains a pooling clause and provides for a 1/6 royalty to be paid to her. As a consequence, the need to compulsory pool her interest is now moot, but there is also an upward adjustment of the average weighted fee landowner’s royalty in the Special Drilling Unit, which is reflected in the attached Second Replacement Exhibit “6.”

Exhibits filed later than 30 days before the scheduled hearing date may be allowed by the Board upon good cause shown (*see* Utah Admin. Code Rule R641-105-500). The hearing on this matter is scheduled for Wednesday, August 26, 2015. At this time, there have been no timely responses filed and no other parties that have made a formal appearance in this matter. As a consequence, and for the reasons outlined above, BBC respectfully requests this Motion for Leave be granted and the attached Second Replacement Exhibit “6” be substituted for and replace Replacement Exhibit “6” currently on file in this Cause. A proposed Order Granting Leave is submitted herewith.

Respectfully submitted this 24th day of August, 2015.

**MACDONALD & MILLER
MINERAL LEGAL SERVICES, PLLC**

By: 

Frederick M. MacDonald, Esq.

Attorneys for Petitioner Bill Barrett Corporation

FMM:mk
1000.42

SECOND REPLACEMENT EXHIBIT "6"
Drilling Unit #17 Average Weighted Fee Royalty Calculations

(revised to reflect leasing of Ann Ince, Friedrich W. Conrad, Jr., Tim Duvall, Covey Minerals, Inc., Paula Curran, Kevin Curran, Molly Curran Howlett and Debra Haraway, and participation by Croff Oil Company pursuant to signed JOA)

Total DSU Acreage		714.57
less UDOT/DFFSL	Tract 9	<2.27>
	Tract 12	<4.87>
	Tract 18	<4.87>
	Total Applicable Acreage =	702.56
<u>Original Tract Participation Factor</u>		
Tract	% Leased x Acreage =	Original TPF
1	$100\% \times 42.86/702.56 =$	6.100547%
2	$[100\% - 0.542887\% (\text{Benien}) - 0.117528\% (\text{Servipetrol}) - 0.006613\% (\text{Mueller Group})] = 99.332972\% \times 91.38/702.56 =$	12.919960%
3	$100\% \times 88.54/702.56 =$	12.602482%
4	$100\% \times 60/702.56 =$	8.540196%
5	$100\% \times 5/702.56 =$	0.711683%
6	$100\% \times 5/702.56 =$	0.711683%
7	$100\% \times 10/702.56 =$	1.423366%
8	$100\% \times 20/702.56 =$	2.846732%
9	EXCLUDED	-0-
10	$100\% \times 15.04/702.56 =$	2.140742%
11	$100\% \times 22.69/702.56 =$	3.229617%
12	EXCLUDED	-0-
13	$[100\% - 25\% (\text{Bond Estate}) - 25\% (\text{Phillips Estate}) - 2.8125\% (\text{Maguire Group})] = 47.1875\% \times 8.78/702.56 =$	0.589709%
14	$[100\% - 25\% (\text{Bond Estate}) - 25\% (\text{Phillips Estate}) - 2.8125\% (\text{Maguire Group})] = 47.1875\% \times 8.79/702.56 =$	0.590381%
15	$[100\% - 8.333333\% (\text{Megan Curran}) - 25\% (\text{Bond Estate}) - 2.8125\% (\text{Maguire Group})] = 63.854167\% \times 8.78/702.56 =$	0.797995%
16	$[100\% - 25\% (\text{Bond Estate}) - 25\% (\text{Phillips Estate})] = 50\% \times 8.78/702.56 =$	0.624858%
17	$100\% \times 25.70/702.56 =$	3.658051%
18	EXCLUDED	-0-
19	$100\% \times 0.79/702.56 =$	0.112446%
20	$100\% \times 34.34/702.56 =$	4.887839%
21	$[100\% - 0.075136\% (\text{Servipetrol}) - 0.004230\% (\text{Mueller Group})] = 99.920634\% \times 246.09/702.56 =$	34.999813%
	Total =	97.488100%

Equalized Tract Participation Factor

Tract		Equalized TPF
1	$6.100547\%/97.488100\% =$	6.257735%
2	$12.919960\%/97.488100\% =$	13.252859%
3	$12.602482\%/97.488100\% =$	12.927200%
4	$8.540196\%/97.488100\% =$	8.760245%
5	$0.711683\%/97.488100\% =$	0.730020%
6	$0.711683\%/97.488100\% =$	0.730020%
7	$1.423366\%/97.488100\% =$	1.460041%
8	$2.846732\%/97.488100\% =$	2.920082%
10	$2.140742\%/97.488100\% =$	2.195901%
11	$3.229617\%/97.488100\% =$	3.312832%
13	$0.589709\%/97.488100\% =$	0.604904%
14	$0.590381\%/97.488100\% =$	0.605593%
15	$0.797995\%/97.488100\% =$	0.818556%
16	$0.624858\%/97.488100\% =$	0.640958%
17	$3.658051\%/97.488100\% =$	3.752305%
19	$0.112446\%/97.488100\% =$	0.115343%
20	$4.887839\%/97.488100\% =$	5.013780%
21	$34.999813\%/97.488100\% =$	35.901626%
	Total =	100%

Equalized Average Weighted Fee Royalty

Tract	Royalty Rate x Mineral Ownership x Equalized TPF =	Weighted Royalty
1	$17.5\% \times 100\% \times 6.257735\% =$	1.095104%
2		
(a)	$1/5 \times 44.244926\% \times 13.252859\% =$	1.172744%
(b)	$3/16 \times 22.238886\% \times 13.252859\% =$	0.552617%
(c)	$1/6 \times 32.731637\% \times 13.252859\% =$	0.722980%
(d)	$1/8 \times 0.117523\% \times 13.252859\% =$	0.001947%
3		
(a)	$20\% \times 2.481963\% \times 12.927200\% =$	0.064170%
(b)	$3/16 \times 45.555555\% \times 12.927200\% =$	1.104198%
(c)	$1/6 \times 51.962482\% \times 12.927200\% =$	1.119549%
4		
(a)	$17.5\% \times 16.666667\% \times 8.760245\% =$	0.255507%
(b)	$1/6 \times 83.333333\% \times 8.760245\% =$	1.216701%
5	$1/6 \times 100\% \times 0.730020\% =$	0.121670%
6	$1/6 \times 100\% \times 0.730020\% =$	0.121670%
7	$1/6 \times 100\% \times 1.460041\% =$	0.243340%
8	$1/6 \times 100\% \times 2.920082\% =$	0.486680%
10	$1/6 \times 100\% \times 2.195901\% =$	0.365984%
11	$1/6 \times 100\% \times 3.312832\% =$	0.552139%
13		
(a)	$1/6 \times 46.770833\% \times 0.604904\% =$	0.047153%
(b)	$1/8 \times 0.416667\% \times 0.604904\% =$	0.000315%

14			
	(a)	$1/6 \times 46.770833\% \times 0.605593\% =$	0.047207%
	(b)	$1/8 \times 0.416667\% \times 0.605593\% =$	0.000315%
15			
	(a)	$1/6 \times 55.104166\% \times 0.818556\% =$	0.075176%
	(b)	$1/8 \times 8.75\% \times 0.818556\% =$	0.008953%
16		$1/6 \times 50\% \times 0.640958\% =$	0.053413%
17		$1/6 \times 100\% \times 3.752305\% =$	0.625384%
19		$1/6 \times 100\% \times 0.115343\% =$	0.019224%
20		$1/6 \times 100\% \times 5.013780\% =$	0.835630%
21			
	(a)	$20\% \times 0.452827\% \times 35.901626\% =$	0.032514%
	(b)	$3/16 \times 19.507529\% \times 35.901626\% =$	1.313160%
	(c)	$1/6 \times 78.322402\% \times 35.901626\% =$	4.686503%
	(d)	$1/8 \times 1.637876\% \times 35.901626\% =$	0.073503%
		AWFR =	17.015450%

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**ORDER GRANTING LEAVE TO
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REPLACEMENT EXHIBIT "6"**

Docket No. 2015-022

Cause No. 131-140

The Board of Oil, Gas and Mining, having fully considered Bill Barrett Corporation's Motion for Leave to Substitute and Replace Replacement Exhibit "6" filed on August 24, 2015, and finding good cause therefor, hereby grants said Motion and authorizes the substitution and replacement of the Second Replacement Exhibit "6" attached to the Motion for said Replacement Exhibit "6" currently on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this ____ day of August, 2015.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: _____
Ruland J. Gill, Jr., Chairman

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